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(Stock Exchange Code 6309)

January 13, 2026

(Date of commencement of measures for
electronic provision: January 5, 2026)

To Shareholders with Voting Rights:

Akitomo Tamai
President
TOMOE ENGINEERING
CO., LTD.
5-15 Kitashinagawa 5-chome,
Shinagawa-ku, Tokyo, Japan

**NOTICE OF
THE 96TH ANNUAL SHAREHOLDERS MEETING**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 96th Annual Shareholders Meeting of TOMOE ENGINEERING CO., LTD. (the "Company") will be held for the purposes as described below.

The Company has taken measures for electronic provision in convening the Annual Shareholders Meeting and posted matters subject to electronic provision measures in the "Notice of Convocation of the Annual General Meeting 2026" on the following website on the Internet.

The Company's website:

<https://www.tomo-e.co.jp/english/ir/>

In addition to the above, the information is posted on the following website on the Internet as well.

Tokyo Stock Exchange website (TSE Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above Tokyo Stock Exchange website, enter "Tomoe Engineering" in the "Issue name (company name)" or our stock exchange code "6309" in "Code," and click "Search." Then, select "Basic information" and "Documents for public inspection/PR information" and check "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" column under "Filed information available for public inspection."

You can exercise your voting rights in writing by mail or through electromagnetic means such as the Internet, etc. Please review the attached "Reference Documents for the Shareholders Meeting" described in the matters subject to electronic provision measures and exercise your voting rights using one of the methods written on page 3 (Japanese original) by 5:40 p.m. on Wednesday, January 28, 2026, Japan time.

1. Date and Time: Thursday, January 29, 2026 at 10:00 a.m., Japan time

2. Place: Osaki Bright Core Hall on the third floor of Osaki Bright Core located at 5-15, Kitashinagawa 5-chome, Shinagawa-ku, Tokyo, Japan

3. Meeting Agenda:

Matters to be reported:

- (1) The Business Report, Consolidated Financial Statements for the Company's 96th Fiscal Year (from November 1, 2024 to October 31, 2025) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
- (2) Non-consolidated Financial Statements for the Company's 96th Fiscal Year (from November 1, 2024 to October 31, 2025)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Five Directors (excluding Directors serving as Audit & Supervisory Committee Members)
- Proposal 3:** Revision of the Amount of Remuneration, etc. for Directors serving as Audit & Supervisory Committee Members
- Proposal 4:** Payment of Bonuses to Officers
- Proposal 5:** Continuation of Response Policies Against Large-Scale Purchases, etc. of the Company's Shares, etc. (Takeover Response Policies)

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Also, for the purposes of resource conservation, please bring this notice along with you.
- ◎ Should the matters subject to electronic provision measures require any revisions, the revised matters will be posted on each of the websites on which they are posted.
- ◎ Among the matters subject to electronic provision measures, the Consolidated Statements of Changes in Shareholders' Equity of the Consolidated Financial Statements and Notes to the Consolidated Financial Statements as well as the Non-consolidated Statements of Changes in Shareholders' Equity of the Non-consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are not contained in the hard copy provided to shareholders who have requested it pursuant to the provisions of laws and regulations and Article 14, Paragraph 2 of the Articles of Incorporation of the Company. Accordingly, the hard copy is part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing audit reports and accounting audit reports, respectively.

Reference Documents for the Shareholders Meeting

Proposals and References

Proposal 1: Appropriation of Surplus

Matters regarding the year-end dividend

As its basic policy in our 13th medium-term management plan (from the fiscal year ended October 31, 2023 to the fiscal year ending October 31, 2025), the Company will implement stable dividends with the targeted payout ratio of at least 40% while seeking to maintain its sound financial position, and by considering the medium- to long-term earnings outlook, business strategy, and other factors in a comprehensive manner.

Based on the above policy, the Company proposes a year-end dividend of 36 yen per share for the current fiscal year, taking into consideration the status of its financial position, operating results for the fiscal year ended October 31, 2025, and the future outlook.

- (1) Matters regarding the assignment of assets to be distributed to shareholders and the total amount thereof

36 yen per share of the Company's common stock, in a total amount of 1,077,647,976 yen

The Company has conducted a 3-for-1 share split of the Company's common stock with an effective date of May 1, 2025. The amount of the year-end dividend calculated without taking into account the effect of this share split is 108 yen per share. As the Company has already paid the interim dividend of 73 yen per share, the annual dividend without taking into account the effect of this share split will amount to 181 yen per share, an increase of 36 yen from the previous fiscal year.

- (2) The date on which dividends of retained earnings become effective

January 30, 2026

Proposal 2: Election of Five Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The term of office of all five Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of five Directors is proposed. With regard to this proposal, based on the Nomination & Remuneration Advisory Committee's report and the Audit & Supervisory Committee's opinion, all candidates have been deemed to qualify as a Director of the Company after each candidate's execution of duties, performance, knowledge, and past experience, etc. were reviewed.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities, etc. at the Company	Attributes	Attendance at Board of Directors meetings
1	Akitomo Tamai	President	Reappointment	100% (24/24)
2	Akiyoshi Shinoda	Director & Managing Executive Officer General Manager, Machinery & Equipment Div.	Reappointment	100% (24/24)
3	Osamu Fujii	Director & Executive Officer In charge of General Affairs Div. and Business Coordination Div.	Reappointment	100% (24/24)
4	Kazuyuki Kitta	Director & Executive Officer In charge of Accounting Div. and Management Planning Div.	Reappointment	100% (24/24)
5	Sakae Fujii	Executive Officer Deputy General Manager, Chemical Products Div.	New appointment	Reappointment

New appointment
 Reappointment
 Outside Director
 Independent Officer

Candidate for new Director
 Candidate for reappointment as Director
 Candidate for Outside Director
 Candidate for independent officer stipulated by stock exchanges, etc.

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
1	Akitomo Tamai (February 12, 1957) Reappointment	April 1980	Joined JDC CORPORATION	90,210
		April 1988	Joined Elkem Japan K.K.	
		April 2000	Joined the Company	
		November 2005	General Manager, Industrial Materials Dept., Chemical Products Div.	
		January 2011	Director Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept., Industrial Materials Dept., and Fine Chemicals Dept.)	
		November 2012	President, Tomoe Butsuryu Co., Ltd.	
		January 2013	President, Tomoe Trading (Shenzhen) Co., Ltd. Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept. and Industrial Materials Dept.) and General Manager, China Business Promotion Dept., Chemical Products Div. of the Company	
		November 2017	Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept. and Industrial Materials Dept.)	
		January 2018	Managing Director General Manager, Chemical Products Div.	
		January 2021	Senior Managing Director General Manager, Machinery & Equipment Div.	
		January 2023	President (current position)	
(Reasons for selecting the candidate for Director) Mr. Akitomo Tamai has abundant knowledge and experience on the Company's overall business with focus on the machinery and equipment business and chemical products business. Since assuming office as a Representative Director in January 2023, he has duly performed duties in general as a senior executive officer of the Group. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				
2	Akiyoshi Shinoda (August 23, 1961) Reappointment	April 1985	Joined Nippon Kaiji Kentei Kyokai	80,431
		September 1989	Joined the Company	
		November 2011	General Manager, Chemical Products Sales Dept., Osaka Branch Office	
		April 2014	General Manager, Fine Chemicals Dept., Chemical Products Div.	
		January 2015	Director Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept. and Electronic Materials Dept.) and General Manager, Fine Chemicals Dept.	
		April 2015	Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept., Electronic Materials Dept., and Fine Chemicals Dept.)	
		January 2018	Deputy General Manager, Chemical Products Div. (in charge of Fine Chemicals Dept., Electronic Materials Dept., and Plastics Dept.)	
		January 2021	President, Tomoe Butsuryu Co., Ltd. Managing Director of the Company	
		March 2021	General Manager, Chemical Products Div.	
		January 2023	President, Tomoe Trading (Shenzhen) Co., Ltd. Director & Managing Executive Officer of the Company (current position)	
		November 2023	General Manager, Machinery & Equipment Div. (current position) President, Tomoe Engineering USA, Inc.	
(Reasons for selecting the candidate for Director) Mr. Akiyoshi Shinoda has abundant knowledge and experience on the Company's overall business with focus on the machinery and equipment business and the chemical products business. Since assuming office as a Director in January 2015, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
3	Osamu Fujii (December 10, 1963) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>	April 1987	Joined the Company	41,628
		April 2013	General Manager, General Affairs Div.	
		January 2020	Director In charge of General Affairs Div. and Business Coordination Div. and General Manager, General Affairs Div.	
		November 2020	In charge of General Affairs Div. and Business Coordination Div.	
		January 2022	In charge of General Affairs Div. and Business Coordination Div. and General Manager, General Affairs Div.	
		January 2023	Director & Executive Officer (current position)	
		November 2023	In charge of General Affairs Div. and Business Coordination Div. (current position)	
(Reasons for selecting the candidate for Director) Mr. Osamu Fujii has abundant knowledge and experience on the Company's overall business with focus on the administrative division. Since assuming office as a Director in January 2020, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				
4	Kazuyuki Kitta (January 5, 1964) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>	April 1987	Joined The Fuji Bank, Limited	6,097
		April 2015	General Manager of Sendai Branch, Mizuho Bank, Ltd.	
		February 2019	Joined the Company	
		November 2019	General Manager, Accounting Div.	
		January 2023	Director & Executive Officer (current position) In charge of Accounting Div. and Management Planning Dept. and General Manager, Accounting Div.	
		November 2023	In charge of Accounting Div. and Management Planning Dept.	
		April 2024	In charge of Accounting Div. and Management Planning Div. (current position)	
(Reasons for selecting the candidate for Director) Mr. Kazuyuki Kitta has abundant knowledge and experience on finance and accounting. Since assuming office as a Director in January 2023, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
5	<p>Sakae Fujii (August 19, 1962) New appointment</p> <p>April 1986 April 2010 April 2015 May 2018 January 2021 January 2023 March 2023 January 2024</p>	<p>Joined the Company General Manager, Operational Support Dept., Chemical Products Div. General Manager, Fine Chemicals Dept., Chemical Products Div. General Manager, Operational Support Dept., Chemical Products Div. Director Deputy General Manager, Chemical Products Div. (in charge of Fine Chemicals Dept., Electronic Materials Dept., and Plastics Dept.) Retired as Director Executive Officer Deputy General Manager, Chemical Products Div. (in charge of Fine Chemicals Dept., Electronic Materials Dept., and Plastics Dept.) President, Tomoe Butsuryu Co., Ltd. (current position) President, Tomoe Trading (Shenzhen) Co., Ltd. (current position) Executive Officer (current position) Deputy General Manager, Chemical Products Div. (in charge of Electronic Materials Dept. and Advanced Materials Dept.) (current position)</p>		31,445
<p>(Reasons for selecting the candidate for Director)</p> <p>Since joining the Company, Mr. Sakae Fujii has been engaged in the chemical products business and has abundant knowledge and experience on the Company's overall business with focus on the chemical products business. Therefore, the Company expects that he is capable of duly performing his duties as a Director and appoints him as a candidate for Director.</p>				

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate includes those held by the Tomoe Engineering Officer Shareholding Association.
3. The Company has concluded a directors and officers liability insurance policy provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Any damage that may arise as a result of an insured person assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability shall be covered by the said insurance policy, provided, however, that there are exemptions that damage arising from the insured person's acts committed with the knowledge that they are in violation of laws and regulations shall be outside the scope of coverage. The insurance premiums are fully borne by the Company for all insured persons. If this proposal is approved as originally proposed, each candidate will become an insured person under the said insurance policy. Furthermore, at the next renewal, the Company plans to renew the insurance policy with the same contents.

Proposal 3: Revision of the Amount of Remuneration, etc. for Directors serving as Audit & Supervisory Committee Members

The 93rd Annual Shareholders Meeting held on January 27, 2023 adopted a resolution to set the amount of remuneration for Directors serving as Audit & Supervisory Committee Members of the Company at 7 million yen or less per month (4 persons were eligible for payment as of the date of resolution), and the resolution remains valid. However, taking into consideration the increasing roles of Directors serving as Audit & Supervisory Committee Members in ensuring the effectiveness of the corporate governance system as our business domains expand, and the need to attract talent with knowledge, expertise, and experience that will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value, we propose to revise the amount of compensation to 10 million yen or less per month.

There will be four Directors serving as Audit & Supervisory Committee Members as of the conclusion of this Shareholders Meeting.

This proposal was determined with reference to various circumstances, including the scale of the Company's business, the number of Directors serving as Audit & Supervisory Committee Members, the remuneration system and its level of payment, etc., and the Company has concluded that the proposal is appropriate.

Proposal 4: Payment of Bonuses to Officers

By considering the operating results for the fiscal year ended October 31, 2025 and other factors, payment of bonuses to five Directors (excluding Directors serving as Audit & Supervisory Committee Members. The same applies hereinafter.) in the total amount of 143,495,000 yen is proposed. Regarding the amount to be paid to each Director, we would like to ask our shareholders to leave the decision on the amount to the Board of Directors.

The Company has formulated a policy for determining details of individual remuneration, etc. of Directors, and an overview of the said policy is stated on pages 44 to 45 (Japanese original). The Nomination & Remuneration Advisory Committee and the Audit & Supervisory Committee have confirmed that the procedures to decide the total amount of bonuses and the specific method of calculation, etc. are in line with the said policy, and it is judged that this proposal is appropriate.

Proposal 5: Continuation of Response Policies Against Large-Scale Purchases, etc. of the Company's Shares, etc. (Takeover Response Policies)

Based on the resolutions passed at the meeting of the Company's Board of Directors held on December 20, 2022 and at the Company's 93rd Annual Shareholders Meeting held on January 27, 2023, the Company introduced and has continued the "Countermeasures against Large-Scale Purchases, etc. of the Company's Shares, etc. (Takeover Defense Measures)" (hereinafter referred to as the "Current Plan"). The Current Plan will remain in effect until the conclusion of the Company's 96th Annual Shareholders Meeting scheduled for January 2026 (hereinafter referred to as the "Annual Shareholders Meeting" in this proposal). Meanwhile, after determining the introduction and continuation of the Current Plan, the Company has continued to consider its appropriateness, including whether it should be continued, as part of initiatives to ensure and enhance the Company's corporate value and, in turn, the common interests of shareholders, taking into account changes in social and economic conditions, as well as relevant trends and various developments in discussions related to takeover response policies, the intent of the Corporate Governance Code, and other factors.

As a result, at a meeting held on December 22, 2025, in light of a basic policy regarding persons who are to control the determination of financial and business policies of the Company (as defined in the introductory clause of Item 3 of Article 118 of the Regulations for Enforcement of the Companies Act; hereinafter referred to as the "Basic Policy Concerning Company Control"), as the "Response Policies Against Large-Scale Purchases, etc. of the Company's Shares, etc. (Takeover Response Policies)," the Company's Board of Directors resolved to continue the measures by partially revising the details of the Current Plan (the newly continued response policies are hereinafter referred to as the "Plan") as efforts to prevent the determination of financial and business policies of the Company from being controlled by an inappropriate person (as defined in Article 118, Item 3, (b)-2 of the aforementioned regulations). The resolution is subject to affirmative votes representing a majority of the voting rights of the shareholders in attendance at the Annual Shareholders Meeting. Accordingly, the Company hereby submits a proposal on the continuation of the Plan to the

shareholders at this Annual Shareholders Meeting.

Therefore, we request shareholders to agree to the purpose of the Plan, and approve the continuation of the Plan as described below in “III Details of the Plan (Efforts to Prevent Determination of Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person in Light of the Basic Policy Concerning Company Control).” If this proposal does not receive affirmative votes representing a majority of the voting rights of the shareholders present at the Annual Shareholders Meeting, the Plan shall be abolished at the conclusion of the Annual Shareholders Meeting.

Although, in relation to the Plan, the Company has updated relevant facts and clarified the purpose, and made changes and adjustments to the Current Plan, the basic contents remain unchanged. The continuation of the Plan was unanimously approved at the above meeting of the Company’s Board of Directors, which included four Directors serving as Audit & Supervisory Committee Members (of whom three are Outside Directors).

In the event of any amendment to the Companies Act or the Financial Instruments and Exchange Act, or regulations, ordinances, Cabinet Office orders, or ministerial orders, related thereto (including changes in the names of laws or ordinances and the enactment of new laws or ordinances succeeding the former laws or ordinances) and their enforcement, the provisions of the laws and ordinances cited in the Plan shall be read as the provisions of the laws and ordinances that substantially succeed the provisions of such amended laws and ordinances, unless otherwise determined by the Board of Directors of the Company.

Details

I Basic Policy Concerning Company Control

1 Basic Policy Regarding Persons Who Are to Control the Determination of Financial and Business Policies of the Company

The Company believes that persons who are to control the determination of financial and business policies of the Company should fully understand the Company’s management philosophy and business, maintain a relationship of trust with shareholders and various other stakeholders, and ensure and enhance the Company’s corporate value and the common interests of shareholders over the medium to long term.

Given that the Company is a listed company, its shares are allowed to be freely traded on the stock market by numerous shareholders and investors. Therefore, we believe that in the event of a large-scale purchase of shares that controls the determination of the Company’s financial and business policies, the final decision as to whether or not to accept such a purchase offer should be made by the free will of the Company’s shareholders.

However, when considering the purposes of some large-scale purchases of shares or proposals for large-scale purchases of shares, some of them do not contribute to the corporate value of the target company or the common interests of its shareholders. For example, they may obviously damage the target company’s corporate value and, in turn, the common interests of its shareholders, or effectively force shareholders to sell their shares.

To the extent permitted by the Companies Act and other applicable laws and regulations, as well as the Company’s Articles of Incorporation, the Company will take appropriate measures against any person who makes a large-scale purchase or proposes a large-scale purchase that could damage the Company’s corporate value and, in turn, the common interests of the Company’s shareholders.

2 Supplementary Explanations of the Basic Policy

In the event that a party attempts to conduct a large-scale purchase, etc. aiming at taking control of the determination of the Company’s financial and business policies, it is essential that the large-scale purchaser (as defined in III below. The same applies hereinafter.) provide necessary and sufficient information in order for the Company’s shareholders to properly judge the impact of such a large-scale purchase, etc. (as defined in III below. The same applies hereinafter.) on the Company’s corporate value and, in turn, the common interests of its shareholders. In order for the shareholders to make a proper judgment, we must provide them with not only the information given by the large-scale purchaser, but also the outcome of the evaluation and consideration by the Board of Directors of the Company regarding the large-scale purchaser’s proposal.

Therefore, under the Plan, the Company will: (1) request the large-scale purchaser to provide necessary and sufficient information for the shareholders to determine the merits and demerits of the proposal, (2) have the Board of Directors evaluate and consider how the proposal of the large-scale purchaser will affect the corporate value of the Company and, in turn, the common interests of its shareholders, and will offer, if necessary, counter proposals as the Board of Directors such as management policies, etc. against the proposal by the large-scale purchaser, and negotiate or discuss with the large-scale purchaser regarding the Company’s management policy, etc. and (3) establish the following procedures to ensure that shareholders have sufficient

time to decide on the merits and demerits of the large-scale purchase in light of the information and evaluations described above, and take appropriate measures in case a large-scale purchase, etc. actually takes place.

In addition, as mentioned above, the Company believes that the final decision as to whether or not to accept a large-scale purchase, etc. should be made based on the collective will of shareholders. Therefore, the Board of Directors of the Company will not reject the large-scale purchase, etc. of the Company's shares if the shareholders agree that the large-scale purchase, etc. will contribute to the corporate value of the Company and the common interests of shareholders, after the shareholders have been provided with the sufficient time and information necessary to examine the purpose and details of the large-scale purchase, etc. and to decide on its merits and demerits in advance through the procedures stipulated in the Plan.

In order to respect the collective will of all shareholders, as long as the large-scale purchaser complies with the procedures stipulated in the Plan, the Company shall hold a general meeting of shareholders before the Company's Board of Directors implements countermeasures under the Plan, as a forum for the shareholders of the Company to express their intentions regarding whether or not to accept the large-scale purchase, etc. (hereinafter referred to as the "General Shareholders' Meeting to Confirm Shareholders' Intentions" in this proposal). If the shareholders express their intention to approve the large-scale purchase, etc., that is, if the proposal for the Company to take countermeasures against the large-scale purchase, etc. is not approved by an ordinary resolution at the General Shareholders' Meeting to Confirm Shareholders' Intentions, the Board of Directors of the Company will not take any action to prevent such a large-scale purchase, etc., as long as the large-scale purchase, etc. is conducted in accordance with the conditions and details disclosed in accordance with the Plan.

Accordingly, the countermeasures based on the Plan (specifically, the gratis allotment of stock acquisition rights) will be implemented with utmost respect for the recommendations of the Independent Committee only if (a) approval for the implementation of the countermeasures is obtained at the General Shareholders' Meeting to Confirm Shareholders' Intentions and the large-scale purchaser does not withdraw the bid for large-scale purchase, etc., or (b) the large-scale purchaser does not comply with the procedures described in III below.

II Special Initiatives That Contribute to the Achievement of the Basic Policy

1 Initiatives to Enhance Corporate Value and the Common Interests of Our Shareholders

(1) Our management philosophy and management policy

Our management philosophy is to grow and develop with creativity and founding spirit, creating a prosperous future for all people involved with the Company; contribute to society by providing advanced technology and products of superb quality to customers; and provide employees with the chance to live fulfilling lives. To these ends, we will manufacture and sell machines based on solid-liquid centrifugal separation technology and import and sell unique raw materials for the chemical industry.

(2) Medium-term management plan to realize the management policy

In the medium-term management plan "Create the New Future" (from the fiscal year ending October 31, 2026 to the fiscal year ending October 31, 2028) announced on December 11, 2025 (https://www.tomeco.jp/upload/newsEN/2D4NUR7-newsEN_file.pdf), the basic policy and performance plan are set forth as follows.

1) Basic policy

In this increasingly uncertain business environment that surrounds the Group, we will continue to pursue transformation and growth, make effective use of management resources, and deliver high-value-added and innovative products and services to generate additional earnings. Our basic policy in the plan is to create a new future by earnestly addressing diverse social issues, including the SDGs and climate change.

While declaring key issues (materiality) and placing our management philosophy to "provide advanced technology and products of superb quality and contribute to society" as the foundation of our activities, we aim to further promote "management that is conscious of cost of capital and stock price" and achieve further improvement in our business performance and the enhancement of corporate value.

2) Key issues (materiality) to be addressed

- a) Effectively utilize limited resources to pursue the expansion of new business domains and further growth of existing businesses
- b) Aim to differentiate from competitors by delivering innovative technologies, products, and services, advance market development primarily in overseas regions with promising growth prospects, create

new added value, and realize enhanced corporate value

- c) By enhancing capital efficiency and profit ratios, pursue greater management efficiency, while continuing to position shareholder returns as the highest management priority
- d) Promote sustainability management and establish a robust governance framework

3) Performance plan

In the machinery and equipment business, we will conduct business based on three main pillars. Firstly, we will expand sales of our core centrifuge decanters, primarily in overseas markets, and in turn expand our overseas business through initiatives such as expanding sales in India's chemical industry market, which we expect to see further growth moving forward, accelerating our entry into U.S. markets, and strengthening local sales capabilities in Southeast Asia. Secondly, we will aim to expand sales of binary power generation equipment, mainly targeting industrial waste heat from incinerators and other equipment. Thirdly, we will focus on expanding our lineup of products and merchandise that contribute to reduced environmental impact.

In the chemical products business, we aim to maximize profits by conducting sales activities that utilize our strengths and characteristics as a specialist trading company. Specifically, we will work to enhance products with a gross profit of more than 100 million yen to stabilize performance and achieve further growth. In addition, we will expand our business in Southeast Asia by strengthening collaboration among our sites in Thailand, Vietnam, and Malaysia, and, in Europe, basing our efforts in the Czech Republic, expand sales with a focus on products for power semiconductors. In India, we will proceed with market investigations related to high-value-added products alongside refractory products. Furthermore, by promoting new product development more than ever before, we will expand new business domains and diversify sources of revenue.

Through these measures, we aim to achieve consolidated net sales of 70 billion yen and ordinary income of 7 billion yen for the fiscal year ending October 31, 2028 (the 99th fiscal year), which is the final year of the plan, and we will disseminate this objective throughout the Group under the title "Create the New Future."

2 Initiatives Related to Corporate Governance

(1) The Company's basic approach to corporate governance

In order to continuously increase corporate value and meet the expectations of our shareholders and other stakeholders, the Company respects the intent of the Corporate Governance Code and recognizes that effective corporate governance is an important management issue, the basis of which is "prompt, efficient, and proactive business management" and "ensuring sound and transparent management." Recognizing our own social responsibility, we will work together with our group companies to put these principles into practice in accordance with our corporate philosophy, management guidelines, and code of conduct.

(2) Overview of the Company's corporate governance system and reasons for adopting such a system

In order to further enhance its corporate governance system by strengthening the auditing and supervisory functions of the Board of Directors, the Company has adopted an institutional design of a company with an audit & supervisory committee.

The Company's corporate governance system ensures the effectiveness of corporate governance by establishing the Audit & Supervisory Committee, which includes several independent Outside Directors and conducts audits and supervision from an independent and objective standpoint, as well as through cooperation with various committees, including the Nomination & Remuneration Advisory Committee, which the Company has established on a voluntary basis. The Company believes that this is the most effective way to ensure the effectiveness of corporate governance at present.

III Details of the Plan (Efforts to Prevent Determination of Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person in Light of the Basic Policy Concerning Company Control)

1 Purpose and Outline of the Plan

The Plan will be continued in line with the aforementioned "Basic Policy Concerning Company Control" for the purpose of maximizing the Company's corporate value and, in turn, the common interests of

shareholders.

The Board of Directors of the Company believes that the decision as to whether or not to accept a large-scale purchase, etc. should ultimately rest with the shareholders from the viewpoint of maximizing the corporate value of the Company and, in turn, the common interests of its shareholders. For this purpose, the Company has established the Plan to set the rules for large-scale purchases, etc. of the Company's shares, etc., and will request the large-scale purchaser to provide the necessary and sufficient information regarding the large-scale purchase, etc. before conducting it. In addition, the Company will secure sufficient time for the Board of Directors to fully evaluate and examine the information regarding the large-scale purchase, etc., negotiate with the large-scale purchaser, and present an alternative proposal to shareholders. When the Board of Directors of the Company is to implement countermeasures under the Plan, as long as the large-scale purchaser complies with the procedures set forth in the Plan, the Board of Directors shall hold a General Shareholders' Meeting to Confirm Shareholders' Intentions in order to confirm the collective will of the shareholders as to whether to accept the large-scale purchase, etc. or to implement countermeasures against the large-scale purchase, etc.

The status of the Company's major shareholders as of the end of October 2025 is as shown in Attachment 1, "Major Shareholders of the Company." The Company has not received any notice or proposal of large-scale purchases, etc. of the Company's shares from any specific third party as of this time, including from shareholders of the Company.

2 Establishment of Independent Committee

In order to ensure the proper operation of the Plan, prevent arbitrary decisions by the Board of Directors, and ensure the objectivity and reasonableness of the Board's decisions, the Company will establish an Independent Committee in accordance with the Independent Committee Regulations (see Attachment 2 for an overview). The Independent Committee shall consist of at least three members. In order to ensure their fair and neutral judgments, they shall be appointed from among Outside Directors or outside experts (such as company managers, lawyers, certified public accountants, consultants, and other professionals with proven track records) who are independent of the Company's business execution. The names and biographies of the candidates for the members of the Independent Committee after the continuation of the Plan can be found in Attachment 3.

Prior to the implementation of countermeasures, the Board of Directors of the Company shall consult with the Independent Committee on the appropriateness of the implementation of countermeasures and other matters necessary to take actions in accordance with the Plan. The Independent Committee shall then carefully evaluate and examine the large-scale purchase, etc. from the perspective of enhancing the corporate value of the Company and the common interests of its shareholders, and shall make a recommendation to the Board of Directors as to whether or not to implement the countermeasures. Having given all due respect to the recommendations of the Independent Committee, the Board of Directors of the Company shall decide on the implementation of countermeasures. A summary of the recommendations of the Independent Committee shall be made public when appropriate.

In order to ensure that the decisions of the Independent Committee are made in a manner that contributes to the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, when necessary and at the Company's expense, obtain advice from independent third-party outside experts (financial advisors, lawyers, certified public accountants, consultants and other professionals, etc.).

3 Eligible Large-Scale Purchases, etc.

For the purpose of this Plan, "Large-Scale Purchase, etc." refers to the actions below (in either case, except those approved in advance by the Board of Directors of the Company), and the term "Large-Scale Purchaser" shall mean a person who conducts or intends to conduct a large-scale purchase, etc., whether alone, jointly with other persons, or in concert with other persons.

- 1) Any purchase of the Company's Share Certificates, etc.¹ (including, but not limited to, the commencement of a tender offer) made with the purpose of increasing a specific group of shareholders² voting rights ratio³ to 20% or more,
- 2) Any purchase of the Company's Share Certificates, etc. (including, but not limited to, the

commencement of a tender offer) that results in a specific group of shareholders holding 20% or more of the voting rights ratio,
 or

3) Any act⁴ carried out between a specific group of shareholders of the Company and some other shareholder of the Company (including cases where there are multiple shareholders. Hereinafter, the same shall apply in this item 3)), regardless of whether or not the acts described in 1) or 2) above have been carried out, that results in the establishment of a relationship of joint ownership between the other shareholder and the specific group of shareholders, or a relationship in which either the specific group of shareholders or the other shareholder exercises practical control over the other party, or a relationship in which the two parties act jointly or in concert⁵ (however, this is limited to cases in which the sum of Share Certificates, etc. held by the specific group of shareholders and the other shareholder accounts for 20% or more of the Share Certificates, etc. issued by the Company).

¹ “Share Certificates, etc.” refers to share certificates and other securities as defined in Articles 27-2, Paragraph 1 or 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

² “Specific group of shareholders” refers to (i) holders (with “holders” as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those who are included in the holders pursuant to Paragraph 3 of the same Article) of Share Certificates, etc. (with “Share Certificates, etc.” as defined in Article 27-23, Paragraph 1 of the same Act) of the Company, and their joint holders (with “joint holders” as defined in Article 27-23, Paragraph 5 of the same Act, including those who are deemed to be joint holders pursuant to Paragraph 6 of the same Article. The same applies hereinafter.), (ii) persons or Specially Related Parties (with “Specially Related Parties” as defined in Article 27-2, Paragraph 7 of the same Act. The same applies hereinafter.) who make a purchase, etc. (with “purchase, etc.” as defined in Article 27-2, Paragraph 1 of the same Act, including those conducted in a financial instruments exchange market) of Share Certificates, etc. (with “Share Certificates, etc.” as defined in Article 27-2, Paragraph 1 of the same Act) of the Company, (iii) parties related to the parties described in the aforementioned (i) or (ii) (referring to groups consisting of (a) investment banks, securities firms, and other financial institutions that have entered into financial advisory agreements with these parties, and other parties who have a substantial interest in common with these parties, (b) tender offer agents, lawyers, accountants, and other advisors for these parties, or (c) other parties reasonably recognized by the Company’s Board of Directors as being substantially controlled by or acting in concert or coordination with these parties), and (iv) persons who have acquired Share Certificates, etc. of the Company from a person falling under (i) above through this (iv) in an off-market negotiated trading or in an off-floor trading session of the Tokyo Stock Exchange (ToSTNeT-1).

³ Depending on the specific method by which the specific group of shareholders has purchased Share Certificates, etc., “voting rights ratio” refers to (i) the Ownership Ratio of Share Certificates (with “Ownership Ratio of Share Certificates” as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. In this case, the number of Share Certificates, etc. held by joint owners and parties or persons stated in (iii) and (iv) in 2 above would be included in the calculation of the number (with “number” referring to the number of Share Certificates, etc. owned, as defined in the same paragraph) of Share Certificates, etc. owned by the holder) of the Company’s Share Certificates, etc. (with “Share Certificates, etc.” as defined by Article 27-23, Paragraph 1 of the same Act) owned or jointly owned by the specific group of shareholders, or (ii) in the case that the specific group of shareholders consists of persons who purchase Share Certificates, etc. (with “Share Certificates, etc.” as defined in Article 27-2, Paragraph 1 of the same Act) of the Company, their Specially Related Parties, and parties or persons stated in (iii) and (iv) in 2 above, the sum of the Ownership Ratios of Share Certificates (with “Ownership Ratio of Share Certificates” as defined in Article 27-2, Paragraph 8 of the same Act) of those persons, their Specially Related Parties, and parties or persons stated in (iii) and (iv) in 2 above. When calculating the Ownership Ratio of Share Certificates or the possession ratio of share certificates, the most recently filed document from among the annual securities report, semiannual securities report, or report on repurchase may be used as a reference upon which to base the total number of issued shares (as defined in Article 27-23, Paragraph 4 of the same Act) or the total number of voting rights (as defined in Article 27-2, Paragraph 8 of the same Act).

⁴ The determination of whether the act described in 3) above has taken place shall be made by way of a reasonable judgment of the Company’s Board of Directors (in making such a judgment, the Board of Directors shall respect the recommendations of the Independent Committee to the maximum extent possible). The Board of Directors may request the Company’s shareholders to provide information to the extent necessary to determine whether or not the conditions specified in 3) above apply.

⁵ The determination of whether or not a “a relationship in which either the specific group of shareholders or the other shareholder exercises practical control over the other party, or a relationship in which the two parties act jointly or in concert” has been established shall be made based on the formation of substantial interests in the Company’s Share Certificates, etc. through new investment relationships, business alliances, business transactions or contracts, concurrent directorships, funding relationships, credit granting relationships, derivatives or stock lending, and the direct or indirect influence of such specific groups of shareholders and other relevant shareholders on the Company.

4 Procedures Leading to the Implementation of Countermeasures

(1) Submission of Statement of Intent

Prior to the execution of a large-scale purchase, etc., the large-scale purchaser shall be requested to submit to the Board of Directors a document (hereinafter referred to as the "Statement of Intent") in which the large-scale purchaser pledges to comply with the procedures set forth in this Plan in the event of a large-scale purchase, etc. The Statement of Intent shall be submitted in the Japanese language in a format specified by the Company.

Specifically, the Statement of Intent must include the following items, and if the large-scale purchaser is a corporation or other legal entity, then it must also submit its articles of incorporation, a certificate of full registry records (or equivalent), and non-consolidated and consolidated balance sheets and statements of income for the most recent five fiscal years.

1) Information on the Large-Scale Purchaser

a) Name and address or location

b) If the large-scale purchaser is a corporation or other legal entity, the names and career trajectory covering the last ten years of its representative, directors (or their equivalent positions. The same shall apply hereinafter.) and auditors (or their equivalent positions. The same shall apply hereinafter.) must be provided.

c) If the large-scale purchaser is a corporation or other legal entity, an explanation of its purposes and business activities.

d) If the large-scale purchaser is a corporation or other legal entity, outline of its direct or indirect major shareholders or investors (top 10 in terms of shareholding ratio or investment ratio) and substantial controlling shareholders (investors).

e) Domestic contacts

f) If the large-scale purchaser is a corporation or other legal entity, the governing law of its incorporation

g) Names, head office locations, and business activities of major investees, as well as the percentage of shareholding or investment in those major investees.

2) The number of the Company's Share Certificates, etc. currently held by the large-scale purchaser and the status of transactions of the Company's Share Certificates, etc. by the large-scale purchaser during the 60 days prior to the submission of the Statement of Intent

3) An outline of the large-scale purchase, etc. proposed by the large-scale purchaser (including the type and number of the Company's Share Certificates, etc. to be acquired by the large-scale purchaser through the large-scale purchase, etc. and the purpose of the large-scale purchase, etc. (in case of acquisition of control or participation in management, pure investment or policy investment, transfer, etc. of the Company's Share Certificates, etc. to a third party after the large-scale purchase, etc., a Material Proposal,⁶ or other purposes, a statement to the effect and details thereof. If there is more than one purpose, all of them should be listed.)).

⁶ The term "Material Proposal" corresponds to the term with the same name defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc. The same shall apply hereinafter.

(2) Request for required information

Within ten (10) business days of the day following the day on which the Company receives the Statement of Intent from the large-scale purchaser, the Board of Directors of the Company shall provide the large-scale purchaser with a written document detailing the information required for the large-scale purchase, etc. (such information hereinafter referred to as the "Required Information", and such written document hereinafter referred to as the "Required Information List"). The large-scale purchaser will be required to submit the Required Information in writing to the Board of Directors of the Company, in accordance with the Required Information List.

General items of Required Information are listed in Attachment 4. The specific details will vary depending on the attributes of the large-scale purchaser and the details of the large-scale purchase, etc., but in all cases will be limited to the extent necessary and sufficient for the shareholders to make their decisions and for the Company's Board of Directors to form its opinion.

From the viewpoint of prompt implementation of the procedures stipulated in the Plan, the Board of Directors of the Company may, as necessary, set a deadline for the large-scale purchaser to provide the Required Information (no later than 60 days from the date of the first delivery of the Required Information List. Hereinafter called the “Information Provision Period”). However, the Information Provision Period may be extended if requested by the large-scale purchaser based on reasonable grounds.

If, as a result of the Board of Directors’ careful examination of the Required Information initially submitted based on the above, the Board considers that such Required Information is not sufficient to adequately evaluate and consider the appropriateness of the large-scale purchase, etc., the Board may request the large-scale purchaser to provide additional information within the Information Provision Period (in making such a determination, the Board will respect the judgment of the Independent Committee to the maximum extent possible).

The Required Information provided to the Company’s Board of Directors will be submitted to the Independent Committee and, if deemed necessary for the shareholders to make a decision, will be made public in whole or in part at a time deemed appropriate by the Board of Directors.

With respect to the fact that the large-scale purchaser has made a proposal for a large-scale purchase, etc., the Board of Directors of the Company will disclose such information in a timely and appropriate manner in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

(3) Evaluation and review period by the Board of Directors

After the day following the completion of the provision of the Required Information or the expiration of the Information Provision Period (whichever comes earlier), the Board of Directors of the Company shall establish a period of up to 60 days in the case of a tender offer to purchase all the shares of the Company with cash only (yen value), and up to 90 days in the case of other large-scale purchases, etc., as the period for the Board of Directors to evaluate, examine, negotiate, form an opinion, and develop an alternative proposal (hereinafter referred to as the “Board of Directors Evaluation and Review Period”), depending on the degree of difficulty of the evaluation of the large-scale purchase, etc. The Board of Directors Evaluation and Review Period may be extended to a reasonable extent only if the Board of Directors and the Independent Committee reasonably believe that it is difficult to complete the evaluation and review within the Review Period as determined above. Nevertheless, the extension shall be for a maximum of 30 days. In such cases, the Company will notify the purchasers, etc. of the specific extension period and the specific reasons why the extension is necessary. This information will also be disclosed to shareholders and investors.

During the Board of Directors Evaluation and Review Period, the Board of Directors of the Company will fully evaluate and review the Required Information provided, receiving advice as necessary from outside experts (financial advisors, certified public accountants, lawyers, consultants, and other professionals), who represent third parties independent of the Independent Committee. The Board of Directors will carefully formulate and announce its opinion, respecting the recommendations of the Independent Committee to the maximum extent possible. If necessary, the Board of Directors may negotiate with the large-scale purchaser to improve the terms of the large-scale purchase, etc., and present an alternative proposal to the shareholders.

The large-scale purchase, etc. may commence only after the expiration of the Board of Directors Evaluation and Review Period (however, if the General Shareholders’ Meeting to Confirm Shareholders’ Intentions is held and the proposal for the implementation of countermeasures is rejected, it may commence after the General Shareholders’ Meeting to Confirm Shareholders’ Intentions. If the proposal for countermeasures is approved, it may only commence after the conclusion of the first meeting of the Company’s Board of Directors held promptly after the conclusion of the General Shareholders’ Meeting to Confirm Shareholders’ Intentions).

(4) Response in the event of a large-scale purchase, etc.

1) If the large-scale purchaser complies with the procedures set forth in the Plan

If the large-scale purchaser complies with the procedures set forth in the Plan, the Board of Directors of the Company will evaluate, examine, negotiate, form opinions about, and develop alternative proposals for the large-scale purchase, etc., respecting the opinions of the Independent Committee to the maximum extent possible, taking into consideration the Required Information provided by the large-scale purchaser and all other circumstances. The Board of Directors of the Company shall, even

if it opposes the large-scale purchase, etc., take no further action other than expressing a counter opinion against the proposal associated with the large-scale purchase, and persuading shareholders by presenting an alternative proposal to them, and in principle, will not take countermeasures against the large-scale purchase, etc. If, following the above process, the Board of Directors of the Company determines with reasonable grounds that the large-scale purchase, etc., despite the large-scale purchaser's compliance with the procedures set forth in the Plan, will significantly damage the corporate value of the Company and, in turn, the common interests of its shareholders, the Board of Directors will, while respecting the opinions of the Independent Committee to the maximum extent possible, decide to hold a General Shareholders' Meeting to Confirm Shareholders' Intentions within the Board of Directors Evaluation and Review Period, and hold a general shareholders' meeting promptly after making this decision.

If the Board of Directors of the Company can determine with reasonable grounds that any of the following (i) through (vii) applies, the Board of Directors shall, in principle, determine that the acquisition would significantly damage the Company's corporate value and, in turn, the common interests of its shareholders. However, such determination shall be made only when it can be judged on a reasonable basis that the large-scale purchase, etc. will significantly damage the Company's corporate value and, in turn, the common interests of shareholders, and shall not be made solely on the basis that any of the following (i) through (vii) below formally applies.

- (i) The large-scale purchaser is considered to be seeking to purchase Company's shares for the sole purpose of driving up the stock price and causing the Company and its related parties to acquire Company shares at the elevated price (a so-called greenmailer) while having no genuine intention of participating in the management of the Company.
- (ii) The large-scale purchaser is considered to be seeking to purchase Company's shares for the purpose of so-called scorched-earth management, temporarily controlling the management of the Company to transfer the Company's intellectual property rights, expertise, trade secrets, major business partners or customers that are necessary for the Company's business management to the large-scale purchaser or its group companies.
- (iii) The large-scale purchaser is considered to be seeking to purchase Company's shares with the intention of gaining control of the management of the Company to then use the Company's assets as collateral or a source of repayment of debts of the large-scale purchaser or its group companies.
- (iv) If the large-scale purchaser is considered to be seeking to purchase the Company's shares for the purpose of temporarily controlling the management of the Company, causing the Company to dispose of valuable assets such as real estate and securities, which are presently not related to the business of the Company, by way of sale or otherwise, and causing the Company to temporarily pay high dividends with the proceeds of such disposal or selling off the Company's shares at a high price to take advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (v) If the method of purchase of the Company's shares proposed by the large-scale purchaser is considered to be a so-called coercive two-tier purchase (meaning a purchase of shares, such as a tender offer, without soliciting the purchase of all the Company's shares in the first purchase and with unfavorable or unclear conditions set for the second purchase) or other methods that could introduce the risk of restricting the opportunity or freedom of shareholders to make a decision and effectively force shareholders to sell their shares in the Company.
- (vi) If it is judged that the acquisition of control by the large-scale purchaser will lead to the deterioration of relationships with customers, employees, local communities, and other stakeholders, thereby significantly damaging the corporate value of the Company and, in turn, the common interests of its shareholders.
- (vii) If the corporate value of the Company in the event that the large-scale purchaser obtains control over the Company is considered to be significantly inferior to the

corporate value of the Company in the event that the large-scale purchaser does not obtain control, in terms of comparison of medium- to long-term future corporate values, and therefore the corporate value of the Company and, in turn, the common interests of shareholders are judged to be significantly damaged.

When holding the General Shareholders' Meeting to Confirm Shareholders' Intentions, the Board of Directors of the Company shall compile documentation including the Required Information provided by the large-scale purchaser, the Board of Directors' opinion on the Required Information, the Board of Directors' alternative proposal and other matters that the Board of Directors of the Company deems appropriate, and the recommendations or opinions of the Independent Committee. The Board of Directors shall send this documentation with the notice of convocation of the General Shareholders' Meeting to all shareholders, and disclose such fact in a timely and appropriate manner. Shareholders will be asked to consider the information concerning the large-scale purchase, etc. and to express their judgment as to whether or not to accept the large-scale purchase, etc. by way of approving or disapproving the implementation of countermeasures as set forth in a proposal by the Board of Directors of the Company. If a majority of the voting rights of the shareholders present at the General Shareholders' Meeting to Confirm Shareholders' Intentions are in favor of the proposal, then the proposal for the implementation of countermeasures shall be deemed to have been approved. Whether the General Shareholders' Meeting to Confirm Shareholders' Intentions resolves to implement or not to implement the countermeasures, the Board of Directors of the Company shall comply with the resolution. Specifically, if a proposal to implement countermeasures is rejected at the General Shareholders' Meeting to Confirm Shareholders' Intentions, the Board of Directors of the Company will not implement the countermeasures. On the other hand, if a proposal to implement countermeasures is approved at the General Shareholders' Meeting to Confirm Shareholders' Intentions, a resolution necessary to implement the countermeasures will be adopted by the Board of Directors of the Company promptly after its conclusion, unless the large-scale purchaser withdraws the large-scale purchase, etc. The results of the General Shareholders' Meeting to Confirm Shareholders' Intentions will be disclosed in a timely and appropriate manner after the resolution.

2) If the large-scale purchaser fails to comply with the procedures set forth in the Plan

If the large-scale purchaser does not comply with the procedures stipulated in the Plan, regardless of the specific method of purchase, then the Board of Directors may implement countermeasures and oppose the large-scale purchase, etc. for the purpose of protecting the Company's corporate value and the common interests of its shareholders. The implementation of countermeasures shall be decided after receiving the recommendation of the Independent Committee. However, if recommended to do so by the Independent Committee, a General Shareholders' Meeting to Confirm Shareholders' Intentions may be held in accordance with 1) above, and shareholders may be asked to express their opinions by way of approving or disapproving a proposal for the implementation of countermeasures made by the Board of Directors of the Company.

In determining whether or not the large-scale purchaser has complied with the procedures set forth in the Plan, the large-scale purchaser's circumstances shall be taken into account to a reasonable extent, and the mere failure to submit some of the Required Information alone shall not be considered a failure to comply with the procedures set forth in the Plan.

In addition, the Board of Directors of the Company shall respect the opinions or recommendations of the Independent Committee to the maximum extent when judging whether or not the large-scale purchaser has complied with the procedures stipulated in the Plan and whether or not the countermeasures should be implemented due to the failure of the large-scale purchaser to comply with the procedures stipulated in the Plan.

5 Overview of Countermeasures

If the Company's Board of Directors is to implement countermeasures in accordance with the procedures set forth in 4 above, the Board of Directors will make a decision as an organization under the Companies Act, respecting the recommendations of the Independent Committee to the maximum extent possible.

In such cases, the Board of Directors of the Company will implement a gratis allotment of stock acquisition rights as a specific countermeasure, the outline of which is as provided in Attachment 5 in principle. In the

event of an actual gratis allotment of stock acquisition rights, conditions will be set to ensure the effectiveness of the countermeasure, such as a condition that the shareholder shall not belong to a specific group of shareholders whose ratio of voting rights exceeds a certain percentage to exercise such rights.

6 The Impact on Shareholders and Investors

(1) Impact of the Plan on shareholders and investors at the time of the Plan's continuation

No gratis allotment of stock acquisition rights will be implemented at the time of continuation of the Plan. Therefore, at the time of its continuation, the Plan will not directly or concretely affect the rights and economic interests of shareholders and investors.

(2) Impact on shareholders and investors at the time of the gratis allotment of stock acquisition rights

Even if the Board of Directors of the Company triggers a countermeasure (specifically, a gratis allotment of stock acquisition rights) for the purpose of protecting the corporate value of the Company and, in turn, the common interests of its shareholders, the countermeasures have been structured such that shareholders (excluding the Unqualified Persons as described in item 5 of Attachment 5 "Outline of Gratis Allotment of Stock Acquisition Rights.") The same also applies to the next item (3) below) are not expected to suffer detriment in terms of the legal or economic aspects.

On the other hand, shareholders who fall under the category of Unqualified Persons as set forth in item 5 of Attachment 5 "Outline of Gratis Allotment of Stock Acquisition Rights" may suffer detriment in legal or economic terms if the countermeasures are implemented.

In the event that the Board of Directors of the Company decides to take specific countermeasures, the Company will disclose such information in a timely and appropriate manner in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

Even after a proposal to implement countermeasures has been approved at the General Shareholders' Meeting to Confirm Shareholders' Intentions (including after the gratis allotment of stock acquisition rights takes effect), in the event of circumstances such as the large-scale purchaser withdrawing the large-scale purchase, etc., for example, the Company may cancel the allotment of stock acquisition rights or acquire the stock acquisition rights with no consideration without issuing Company's shares to the stock acquisition rights by the day before the commencement date of the exercise of stock acquisition rights. In such cases, shareholders or investors who sell or otherwise dispose of their shares based on the assumption that the value per share will be diluted may suffer commensurate losses due to fluctuations in the share price.

(3) Procedures required of shareholders at the time of the gratis allotment of stock acquisition rights

If the Company implements a gratis allotment of stock acquisition rights as a countermeasure, shareholders will receive an allotment of stock acquisition rights without having to apply to receive them, and as the Company will take procedures to acquire the stock acquisition rights, shareholders will receive shares in the Company as consideration for the acquisition of the stock acquisition rights by the Company without paying money equivalent to the exercise price of the stock acquisition rights, so no application or payment procedures are required. In this case, however, the Company may separately request shareholders who are to receive an allotment of stock acquisition rights to submit a written pledge in a form specified by the Company that they themselves are not the large-scale purchaser. When these procedures are actually required to be taken, the Company will disclose details of these procedures in a timely and appropriate manner in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

7 Mechanisms to Enhance the Rationality of the Plan

In formulating the Plan, by taking the following points into consideration, the Company believes that the Plan is in line with the Basic Policy Concerning Company Control described above, is consistent with the corporate value of the Company and the common interests of its shareholders, is not intended to maintain the position of the Company's officers, and is highly reasonable.

(1) The purpose of the guidelines for takeover response policies has been taken into consideration

The Plan takes into consideration the purpose of the three principles (the principle of protecting and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' will, and the principle of ensuring the necessity and reasonableness) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate

Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, the three principles (the principle of corporate value and shareholders' common interests, the principle of shareholders' intent, and the principle of transparency) set forth in the "Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholders' Interests –" published by the Ministry of Economy, Trade and Industry on August 31, 2023, and the "Takeover Defense Measures in Light of Recent Environmental Changes" report published on June 30, 2008 by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry, as well as "Principle 1.5 Anti-Takeover Measures" of "Japan's Corporate Governance Code" published on June 1, 2015 (most recently revised on June 11, 2021) by the Tokyo Stock Exchange, Inc. The requirements stipulated in these guidelines are also fulfilled in the Plan.

(2) The introduction of the new system is for the purpose of securing and enhancing the common interests of shareholders

As described in "1 Purpose and Outline of the Plan" above, the Plan is introduced for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, by securing necessary information and time to enable the shareholders to decide whether or not to accept a large-scale purchase, etc. of the Company's shares, or to enable the Board of Directors to present an alternative proposal, or by enabling the Board of Directors to negotiate with the large-scale purchaser on behalf of the shareholders, etc.

(3) The Plan directly reflects the intentions of shareholders (elimination of arbitrary decisions by directors)

As long as the large-scale purchaser complies with the procedures set forth in the Plan, the situations in which the Board of Directors of the Company may trigger countermeasures based on the Plan are limited to cases in which a resolution to trigger countermeasures is passed at the General Shareholders' Meeting to Confirm Shareholders' Intentions. Therefore, the Plan is also designed to directly reflect the intentions of shareholders in judging the appropriateness of triggering the countermeasures.

(4) Emphasis on judgment by highly independent external parties (elimination of arbitrary decisions by Directors)

As described in "4 (4) Response in the event of a large-scale purchase, etc." above, in order to ensure the necessity and reasonableness of the Plan and to prevent the Plan from being abused by the Directors for their own protection, the Company shall consult with the Independent Committee, which consists of members who are independent of the Company's management in charge of business execution, regarding the appropriateness of triggering countermeasures and other matters necessary to respond in accordance with the Plan to ask for their recommendation. The Company shall respect their recommendation to the maximum extent. Thus, the Company has secured procedures to ensure the transparent operation of the Plan to eliminate arbitrary decisions by Directors and to contribute to the corporate value of the Company and the common interests of shareholders.

(5) The Plan is not a dead-hand or slow-hand response policy

The Plan may be abolished by the Board of Directors, which is composed of Directors elected at the general meeting of shareholders of the Company. Therefore, the Plan is not a dead-hand response policy (a response policy that cannot be stopped even if a majority of the members of the Board of Directors are replaced).

Furthermore, the Company is a company with an audit & supervisory committee, and the term of office of Directors (excluding Directors serving as Audit & Supervisory Committee Members) is one year, and the term of office of Directors serving as Audit & Supervisory Committee Members is two years. As the Company has not adopted a system of staggered terms of office for Directors serving as Audit & Supervisory Committee Members, the Plan is not a slow-hand response policy (a response policy which takes more time to stop triggering due to the fact that all members of the Board cannot be replaced at once) either. The Company does not have weighted requirements for resolutions to dismiss Directors (excluding Directors serving as Audit & Supervisory Committee Members), such as the requirement for a special resolution.

8 Procedures and Effective Period for Abolition of the Plan

The effective period of the Plan will expire at the conclusion of the Company's annual shareholders meeting held for the last business year ending within three years after the conclusion of the Annual Shareholders Meeting (which is the Company's Annual Shareholders Meeting scheduled for January 2029; hereinafter referred to as the "Said Annual Shareholders Meeting"). If the Plan is not approved by shareholders at the Said Annual Shareholders Meeting, the Plan shall be abolished at the conclusion of the Said Annual Shareholders Meeting.

In addition, the Plan shall be abolished immediately when 1) a resolution to abolish the Plan is passed at a shareholders meeting of the Company, or 2) a resolution to abolish the Plan is passed by the Board of Directors of the Company.

Furthermore, even during the effective period of the Plan, the Board of Directors may review the Plan from time to time from the viewpoint of enhancing corporate value and the common interests of shareholders, and may amend the Plan by a resolution of the Board of Directors with the approval of the Independent Committee. If the Company's Board of Directors decides to continue, amend, or abolish the Plan, the Company will promptly announce the details of such decision.

Even during the effective period of the Plan, the Board of Directors may amend or revise the Plan, as necessary, with the approval of the Independent Committee, if laws and regulations concerning the Plan or the rules of the financial instruments exchanges on which the Company is listed are newly established, amended or abolished, and it is appropriate to reflect such new establishment, amendment or abolishment, or if it is appropriate to revise the wording due to typographical errors or omissions or for any other reason, as long as such amendment or revision will not cause any disadvantage to shareholders.

- End -

Attachment 1**Major Shareholders of the Company**

As of October 31, 2025, the Company's major shareholders are as follows

Shareholder	Investment in the Company	
	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,525	8.43
UH Partners 2 Investment Limited Partnership	2,037	6.80
Hikari Tsushin K.K. Investment Limited Partnership	1,925	6.43
Tomoe Engineering Client Shareholding Association	946	3.16
Haruko Yamaguchi	942	3.14
Mariko Noda	891	2.97
Tomoe Engineering Employee Shareholding Association	695	2.32
SIL Investment Limited Partnership	668	2.23
Mizuho Bank, Ltd.	500	1.67
Sachiko Dohi	491	1.64

*The Company holds treasury stock (14,934 shares), and the above shareholding ratios are calculated excluding treasury stock.

Attachment 2**Overview of the Independent Committee Regulations**

- The Independent Committee shall be established by a resolution of the Board of Directors of the Company.
- The Independent Committee shall consist of at least three members who shall be appointed by a resolution of the Board of Directors of the Company. In order to enable fair and neutral judgments, they shall be chosen from among Outside Directors or outside experts (such as company managers, lawyers, certified public accountants, consultants, and other professionals with proven track records) who are independent of the execution of the Company's business.
- The Independent Committee shall, in principle, make recommendations to the Board of Directors on matters for which it is consulted by the Board of Directors, such as a judgment as to whether or not the large-scale purchaser has complied with the procedures stipulated in the Plan, a judgment as to whether or not the large-scale purchase, etc. will materially damage the corporate value of the Company and the common interests of shareholders, a judgment as to whether or not to take countermeasures, a judgment as to whether or not to suspend countermeasures once they are taken, and so on, with reasons and grounds for such recommendations. Each member of the Independent Committee shall make such judgments from the perspective of whether or not they contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.
- The Independent Committee may, when necessary and at the Company's expense, obtain advice from independent third-party outside experts (financial advisors, lawyers, certified public accountants, consultants and other professionals, etc.).
- Resolutions of the Independent Committee shall be based on unanimous agreement.

- End -

Attachment 3

Independent Committee Member Biographies

Brief biographies of the candidates for the members of the Independent Committee after the continuation of the Plan are given below.

[Name]	Kenji Yahiro / Outside Director (Independent Officer)
[Biography]	Born on November 24, 1959
	April 1983 Joined Yasuda Life Insurance Company
	April 2014 General Manager, Contract Services Div., Meiji Yasuda Life Insurance Company
	April 2017 Director and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.
	April 2018 Executive Officer and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.
	April 2020 Deputy Manager, Business Support Div., Meiji Yasuda Office Partners Co., Ltd.
	January 2021 Director (Director serving as Audit & Supervisory Committee Member) of the Company (current position)

[Name]	Rei Sugihara / Outside Director (Independent Officer)
[Biography]	Born on October 25, 1958
April 1986	Appointed as Assistant Judge, Tokyo District Court
April 1995	Registered as Attorney-at-law, Tokyo Bar Association
January 1996	Joined Koga Sogo Law Office
June 2006	Koga Sogo Law Office was renamed Kasumi Sogo Law Office. Partner lawyer
March 2015	Outside Audit & Supervisory Board Member, TACHIKAWA CORPORATION
June 2020	Outside Director and Audit & Supervisory Committee Member, Ushio Inc. (current position)
January 2023	Director (Director serving as Audit & Supervisory Committee Member) of the Company (current position)
November 2025	Attorney-at-law, Sueishi & Furukubo Law Office (to the present)

[Name]	Takako Ochi / Outside Director (Independent Officer)
[Biography]	Born on July 13, 1969
October 1992	Joined Eiwa Audit Corporation (currently KPMG AZSA LLC)
October 1996	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
April 1997	Joined Chuo Coopers & Lybrand Advisors K.K.
April 2001	Joined MagClick Inc.
April 2002	Established Ochi Certified Public Accountant Office (to the present)
October 2012	Established Takako Ochi Certified Public Tax Accountant Office (to the present)
December 2018	Joined TAIYU AUDIT LLC
June 2023	Outside Audit & Supervisory Board Member, J Trust Global Securities Co Ltd. (current position)
February 2024	Outside Audit & Supervisory Board Member, K.R.S. Corporation (current position)
January 2025	Director (Director serving as Audit & Supervisory Committee Member) of the Company (current position)

(Note) There are no special interests between each Independent Committee member candidate and the Company.

Attachment 4**Information to be Requested from the Large-Scale Purchaser**

1. Details (including history, specific name, capital structure, investment ratio, business description, financial condition, and whether or not there have been any violations of laws and regulations within the past 10 years (and summaries thereof, if any), as well as the names of officers, their career histories for the past 10 years, and whether or not there have been any violations of laws and regulations in the past (and summaries thereof, if any)) of the large-scale purchaser and its group (including major shareholders or investors (whether directly or indirectly. The same applies hereinafter.), material subsidiaries and affiliates, joint holders and specially related parties, and in the case of a fund, each partner, investor and other constituent members, as well as those who continuously provide advice on investment. The same applies hereinafter.).
2. Specific details of the internal control system of the large-scale purchaser and its group (including the group's internal control system) and the status of the system and whether it is effective or not.
3. Purposes of the large-scale purchase, etc. (details of purposes disclosed in the Statement of Intent), its method and details (including whether or not the large-scale purchaser has an intention to participate in management, the type and amount of consideration for the large-scale purchase, etc., the timing of the large-scale purchase, etc., the structure of related transactions, the number of shares to be purchased and the ownership percentage after such purchase, and legality of the method of the large-scale purchase, etc., the feasibility of the large-scale purchase, etc. and its related transactions (if the large-scale purchase, etc. is subject to certain conditions, then the details of such conditions), and if there is a possibility that the Company's shares will be delisted after the large-scale purchase, etc., then a statement to that effect and the reasons thereof. In addition, regarding the legality of the method of the large-scale purchase, etc., a written opinion by a qualified attorney is also required to be submitted at the same time)).
4. Basis of calculation of consideration for the large-scale purchase, etc. and the process of calculation (including the facts and assumptions underlying the calculation, the calculation method, the numerical data used for the calculation and details of the synergies and dis-synergies expected to be generated by the series of transactions related to the large-scale purchase, etc. and, if opinions of any third parties have been heard upon the calculation, the names of such third parties, summaries of such opinions and how the amount was determined based on such opinions).
5. Proof of funds for the large-scale purchase, etc. (including the specific name(s) of the provider(s) of funds (including the substantial providers, whether direct or indirect), the method of raising funds, whether there are any conditions required for the provision of funds (and if so, their details), whether there is any collateral or pledges required after the provision of funds (and if so, their details), and details of related transactions).
6. Whether or not there is communication on intention with any third parties in relation to the large-scale purchase, etc. (including any communication of the intent related to the Material Proposal to be made to the Company. The same applies hereinafter.), and, if there is such communication, the details thereof and an overview of the third parties involved.
7. The holding status of the Company's Share Certificates, etc. by the large-scale purchaser and its group, the holding status and contractual status of derivatives and other financial derivative instruments whose underlying assets are the Company's Share Certificates, etc. or assets related to the business of the Company or its group, and the status of any lending, borrowing, short selling, etc. of the Company's Share Certificates, etc.
8. If there is any lease agreement, security agreement, repurchase agreement, sale option, or any other material agreement or arrangement in relation to the Company Share Certificates, etc. already held by the large-scale purchaser and its group (hereinafter referred to as a "Security Agreement, etc."), specific details of such Security Agreement, etc. including the type of such agreement, counterparty, and the number of

Share Certificates, etc. subject to such agreement.

9. If the large-scale purchaser plans to conclude a Security Agreement, etc. or any other agreement with a third party in relation to the Share Certificates, etc. of the Company that the large-scale purchaser plans to acquire in the large-scale purchase, etc., specific details of the agreement including the type of agreement planned to be made, the counterparty, and the number of Share Certificates, etc. subject to such agreement.
10. Management policies, business plans, financial plans, capital plans, investment plans, capital policies and dividend policies, etc. of the Company and the Company's group contemplated after the completion of the large-scale purchase, etc. (including plans for the sale, offering as collateral, or other disposition of the Company's assets after the large-scale purchase, etc.).
11. Policies regarding the treatment of the officers, employees, labor unions, trading partners and customers of the Company and the Company's group, as well as the local governments where the Company's facilities, etc. are located, and any other interested party of the Company, after the completion of the large-scale purchase, etc.
12. Specific measures for avoiding conflicts of interest with other shareholders of the Company.
13. Regulatory matters under domestic or foreign laws and regulations that may be applicable to the large-scale purchase, etc., and the possibility of obtaining approvals or permits, etc. required under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange and Foreign Trade Act, or other laws and regulations from domestic or foreign governments or third parties (with respect to these matters, a written opinion by a qualified attorney is also required to be submitted).
14. Possibility of maintaining the necessary permits and approvals under domestic and foreign laws and regulations with respect to the management of the Group and the possibility of complying with domestic and foreign laws and regulations, after the large-scale purchase, etc.
15. Whether or not there is any relationship (whether direct or indirect) with antisocial forces or terrorist organizations, and if so, the details of such relationships.

- End -

Attachment 5

Outline of Gratis Allotment of Stock Acquisition Rights

1. Class of shares to be issued upon exercise of the Stock Acquisition Rights
Common shares of the Company
2. Number of shares to be issued upon exercise of the Stock Acquisition Rights
The number of shares to be issued upon exercise of each Stock Acquisition Right shall be determined separately by the Board of Directors.
3. Amount of assets to be contributed upon exercise of the Stock Acquisition Rights
Contributions to be made upon the exercise of the Stock Acquisition Rights shall be cash, and the amount of cash contributed shall be the number of common shares of the Company subject to the Stock Acquisition Rights multiplied by one (1) yen.
4. Exercise period of the Stock Acquisition Rights
The exercise period of the Stock Acquisition Rights shall be separately determined by the Board of Directors.
5. Conditions for exercising the Stock Acquisition Rights
 - (a) Stock Acquisition Rights held by Unqualified Persons (including those substantially held) may not be exercised.
An “Unqualified Person” is a person who falls under any of the following categories.
 - (i) Large-Scale Purchaser
 - (ii) Joint Holders of the Large-Scale Purchaser (Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act)
 - (iii) Specially Related Parties of the Large-Scale Purchaser (Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act)
 - (iv) Any person whom the Board of Directors reasonably determines, based on the recommendation by the Independent Committee, to fall under any of the following
 - (x) Any person who has received or succeeded to the Stock Acquisition Rights from any person falling under (i) through (iv) above without the Company’s approval.
 - (y) A “related party” of any person falling under (i) through (iv) above. “Related party” refers to investment banks, securities firms, and other financial institutions that have entered into financial advisory agreements with these persons, other persons who share a substantial interest with these persons, tender offer agents, attorneys, accountants, and other advisors, or persons who are substantially controlled by these persons or who act jointly or in concert with these persons. In determining “related parties” for partnerships and other funds, the substantial identity of the fund manager and other various factors will be considered.
 - (b) Holders of Stock Acquisition Rights may exercise their rights only if they submit the a written document including representation and warranty clauses, indemnification clauses, and other clauses specified by the Company stating that they do not fall under the Unqualified Persons described in 5(a) above (in the case of exercising the rights on behalf of a third party, this includes the fact that such third party does not fall under any of the Unqualified Persons set forth in 5(a) above), and any materials showing that they fulfill the conditions required by the Company within a reasonable extent, as well as documents required by laws and regulations.
 - (c) If applicable foreign securities laws or other laws and regulations require the performance of prescribed procedures or the satisfaction of prescribed conditions for the exercise of the Stock Acquisition Rights by a person located in the jurisdiction of such laws or regulations, a person located in such jurisdiction may exercise the Stock Acquisition Rights only when the Company is satisfied that all such procedures and conditions have been performed or satisfied. Note that, even if a person located in the relevant jurisdiction would be able to exercise the Stock Acquisition Rights if the Company fulfilled or satisfied the above procedures and conditions, the Company would not be obligated to fulfill or satisfy such procedures and

conditions.

(d) Confirmation of the fulfillment of the conditions in 5(c) above shall be made by a procedure similar to the procedure set forth in 5(b) above, as determined by the Board of Directors.

6. Acquisition clause

(a) With regard to Stock Acquisition Rights that are exercisable yet unexercised in accordance with the provisions of 5(a) and (b) above (i.e., those held by persons who are not Unqualified Persons. This includes Stock Acquisition Rights held by persons who fall under 5(c) above, and will be referred to as “Stock Acquisition Rights Eligible for Exercise” in 6(b) below.), the Company may, on a date determined by the Board of Directors to be on or after the effective date of the gratis allotment of Stock Acquisition Rights, acquire the common shares of the Company in the number corresponding to the integer portion of the number of the Stock Acquisition Rights to be acquired, multiplied by the number of shares to be acquired per Stock Acquisition Right as consideration.

(b) On a date determined by the Board of Directors to be on or after the effective date of the gratis allotment of Stock Acquisition Rights, the Company may, with respect to unexercised Stock Acquisition Rights other than the Stock Acquisition Rights Eligible for Exercise, acquire the Stock Acquisition Rights in exchange for the same number of Stock Acquisition Rights, with certain restrictions on the exercise by Unqualified Persons (exercise conditions as described below with other details to be determined by the Board of Directors. Such stock acquisition rights shall hereinafter be referred to as “Second Stock Acquisition Rights”).

(Exercise conditions)

Unqualified Persons may not exercise the Second Stock Acquisition Rights except in the following cases, or in cases specified by the Board of Directors.

(x) In the event that the large-scale purchaser withdraws or suspends the large-scale purchase, etc. after the resolution of the General Shareholders’ Meeting to Confirm Shareholders’ Intentions and pledges not to implement the large-scale purchase, etc. thereafter, and the large-scale purchaser or other Unqualified Persons dispose of the Company’s shares by entrusting them to a securities company acceptable to the Company, and

(y) If the Ownership Ratio of Share Certificates of the large-scale purchaser after such disposition (however, in calculating the Ownership Ratio of Share Certificates in this condition (y), Unqualified Persons other than the large-scale purchaser and its joint holders shall be deemed to be joint holders of the large-scale purchaser. In addition, the calculation shall exclude the Second Stock Acquisition Rights held by Unqualified Persons for which the exercise conditions are not met) as recognized by the Board of Directors is less than 20%, the large-scale purchaser or other Unqualified Persons who made such disposition may exercise the Second Stock Acquisition Rights for the number of shares equivalent to the number of shares so disposed of only to the extent that the percentage remains less than such 20%.

(c) The Company may acquire all of the Stock Acquisition Rights without consideration on a date separately determined by the Board of Directors of the Company if the Board of Directors of the Company deems it appropriate for the Company to acquire the Stock Acquisition Rights at any time up to the day before the commencement date of the exercise period of the Stock Acquisition Rights.

7. Transfer approval

Acquisition of the Stock Acquisition Rights by transfer requires the approval of the Board of Directors.

8. Matters related to capital stock and legal capital surplus

Matters concerning capital stock and legal capital surplus to be increased in connection with the exercise of the Stock Acquisition Rights and acquisition pursuant to the Acquisition Clause shall be determined in accordance with applicable laws and regulations.

9. Fractions

Any fraction of less than one share in the number of shares to be delivered to those who exercise the Stock Acquisition Rights shall be rounded down. However, if such stock acquisition right holders exercise more than one stock acquisition right at the same time, the fractions of the number of shares to be delivered to such stock acquisition right holders may be calculated by adding up the number of shares to be delivered upon exercise of each stock acquisition right.

10. Issuance of certificates of Stock Acquisition Rights

No certificates will be issued for these Stock Acquisition Rights.

11. Number of the Stock Acquisition Rights to be allotted to shareholders

The Company shall allot the Stock Acquisition Rights at a ratio of one (1) Stock Acquisition Right per one (1) share of common stock of the Company (excluding common stock held by the Company).

12. Shareholders eligible for gratis allotment of the Stock Acquisition Rights

The Company shall allot the Stock Acquisition Rights to all shareholders (excluding the Company) of the Company's common stock whose names appear or are recorded in the final shareholders' register as of the record date separately determined by the Board of Directors.

13. Total Number of the Stock Acquisition Rights

The total number of Stock Acquisition Rights shall be the same as the final number of shares issued by the Company as of the record date separately determined by the Board of Directors (excluding the number of shares of common stock held by the Company).

14. Effective date of the gratis allotment of the Stock Acquisition Rights

The effective date of the gratis allotment of the Stock Acquisition Rights shall be separately determined by the Board of Directors on a date after the record date, also to be separately determined by the Board of Directors.

- End -

- End -

(Reference)

Composition and skills matrix of the Board of Directors if Proposal 2 is approved as originally proposed

	Corporate Management	Sales & Marketing		Overseas Businesses	Production, Technologies & Development	Finance & Accounting	Human Resources & Labor	Legal Affairs & Risk Management	Outside Officers & Independence
		Manufacturers	Trading Companies						
Akitomo Tamaï	●	●	●	●	●				
Akiyoshi Shinoda	●	●	●	●	●				
Osamu Fujii	●						●	●	
Kazuyuki Kitta	●					●			
Sakae Fujii	●		●	●					
Toshiaki Yakura	●			●		●			
Kenji Yahiro	●							●	●
Rei Sugihara								●	●
Takako Ochi						●			●

(Notes)

1. The above list shows the areas where each Director can demonstrate their expertise and does not represent all the knowledge, experience, and abilities held by them.
2. Messrs. Toshiaki Yakura, Kenji Yahiro, Mses. Rei Sugihara, and Takako Ochi are Directors serving as Audit & Supervisory Committee Members.

Selection criteria for Outside Directors of the Company

Outside Directors and the candidates for Outside Director of the Company shall be the individuals satisfying the following criteria:

1. The individuals who are capable of directly supervising the matters regarding management in general, financial and legal affairs, corporate governance and other issues that are deliberated or resolved at the Board of Directors meetings.
2. The individuals who have insight, expertise and experience conducive to the sustainable growth and medium- to long-term enhancement of corporate value of the Company, and are capable of expressing useful opinions and giving advice regarding the matters related to corporate management, including business strategy, formulation of medium-term management plan, etc.

Criteria for independence of Outside Directors of the Company

Outside Directors and the candidates for Outside Director of the Company shall be the individuals that do not fall under the following criteria 1 to 5. The applicable period for the criteria 2 to 5 shall be the present and the past ten years.

1. Individual related to the Group
Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Accounting Advisor, Executive Officer, Operating Officer or employee (hereinafter, “Executive, etc.”) of the Company, or subsidiaries and affiliates of the Company (hereinafter, “the Group”)
2. Shareholder and individual related thereto
 - (1) A shareholder who holds 10% or more of the Company’s voting rights, or Executive, etc. of such shareholder
 - (2) An Executive, etc. of the company in which the Group holds 10% or more of voting rights
3. Individual related to business partner
 - (1) Executive, etc. of a business partner that records a transaction amount with the Group equivalent to 2% or more of said entity’s consolidated net sales or; Executive, etc. of a business partner with which the Group records a transaction amount equivalent to 2% or more of the Group’s consolidated net sales
 - (2) Executive, etc. of a financial institution from which the Group is borrowing an amount equivalent to 2% or more of the Group’s consolidated total assets
4. Attorney-at-law, certified public accountant, tax accountant, etc.
 - (1) Certified public accountant, or employee or partner of an audit corporation, which is the Accounting Auditor of the Group
 - (2) An individual who receives an annual remuneration of 10 million yen or more from the Group as attorney-at-law, certified public accountant, tax accountant or other consultant, in addition to the remuneration as an officer
5. Others
 - (1) A spouse or any family within the second degree of kinship of the individual that falls under the above criteria 1 to 4
 - (2) Executive, etc. of a company, between which and the Group directors are mutually appointed
 - (3) Executive, etc. of a company, between which and the Group mutually hold shares